ENHANCING CAPACITY FOR LOW EMISSION DEVELOPMENT STRATEGIES (EC-LEDS CLEAN ENERGY PROGRAM)

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DISPLAY LABELING PRIVATE SECTOR PROMOTION PROGRAM

September 2015

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ACRONYMS

COM	Covenant of Mayors
CO2	Carbon Dioxide
EC-LEDS	Enhancing Capacity for Low Emission Development Strategies Clean Energy Program
EE	Energy efficiency
EPBD	European Energy Performance of Buildings Directive
GBC	Green Building Council
GHG	Green house gas
MRV	Monitoring, Reporting and Verification
TV	Television
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Worldwide, environmental matters have increasingly become a principle issue for businesses. The green building market distinguishes between environmentally friendly buildings and those that are not by measuring their performance and applying labels or certificates. In Georgia there are still no green-certified buildings, but some are now energy-labeled using the Display system. Energy is the major component to consider when looking at the sustainability of green buildings. Within the framework of several internationally funded projects, energy labeling of several existing public buildings such as schools and kindergartens have been carried out. The ongoing EC-LEDS Program--funded by USAID and implemented by Winrock International Georgia in local partnership with Green Building Council Georgia--plans to label more public buildings such as offices, municipal buildings, public hallsas well as a number of private buildings.

As Display is the most affordable tool for Georgian professionals and all sizes of businesses, the EC-LEDS Program is considering the possibility of expanding Display certification to the private sector. Within the existing building stock of Georgia, private buildings are the major CO2 emitters, and by number and total area they exceed that of public buildings. The EC-LEDS program has already planned to support energy efficiency measures in a large number of public municipal buildings in municipalities that have signed the Covenant of Mayors. However, due to limited resources, the private sector--which is the largest--remains untouched, even though this sector has the most resources and possibilities for reducing CO2 emissions.

This report proposesa plan to encourage the private sector to join the Display campaign, like many private entities have done in Europe. It analyses needs and shows the relevance of specific actions, offers an action strategy and estimates possible results – what can be achieved if a well-designed private sector support program is implemented.

SECTION ONE: PROBLEM STATEMENT AND RELEVANCE

Government and municipalities are the largest owners and operators of the building stock in Georgia, but in terms of quantity and total area, the private sector remains the largest. The private sector covers a wider range of buildings including homes, shops, hotels and other commercial and industrial facilities.

However, only larger companies can afford to have a branch or department responsible for co-ordinating the operation and maintenance of the building stock. Hundreds of thousands of m2 of inhabited buildings, or those owned by small enterprises are managed inefficiently and unprofessionally, without guidance or monitoring. As a result, enormous resources are wasted, and there are negative effects on the health and safety of those living in or using the buildings.

Today Georgia's building sector is not effectively regulated by the Government. There are no legal responsibilities required form owners concerningtheir buildings' energy use, the environmental impact of the building or the impact of the construction on either the workers' or end-users' health and well-being. Although Georgia has agreed to gradually harmonize its legislation with Europe, there is still no effective action being taken to implement the European Energy Performance of Buildings Directive or to transfer good environmental practices to Georgia. Implementing this directive will definitely be requested from Georgia, as the country has signed an Association Agreement implying further European integration.

SECTION TWO: INTRODUCTION OF THE DISPLAY TOOL

There are many effective tools that can be used to manage and monitor existing buildings' energy and environmental performance. The Display tool, used by the EC-LEDS program, is one of the easiest and most user-friendly. It provides essential information for owners and facility managers.

Display effectively shows the operational performance of a building and practical management of home, office, retail, health, hospitality, sport and other building types. It allows the owners of individual buildings or a large building stock, as well as local or state authorities, to publicly display the energy and environmental performances of their buildings. It goes further than the European Energy Performance of Buildings Directive (EPBD) as it stimulates energy measures by providing improvement recommendations, including water, and shows progress throughyearly updates. Display is now a building data management tool for 400 local authorities, 11,500buildings, 27 countries and more than 20 associated partners, including the European Commission. It has been adapted for Georgian climate data and language.

The biggest potential for Georgia to save energy and reduce operational costs is in the building and construction sector. By displaying the performance of buildings (i.e. being transparent) the managers/owners can engage the occupants and visitors to make them more conscious of their energy consumption. The labeling process includes information collection, analysis and recommendations. It is advisable that an applicant for a Display assessment has stored utilities consumption data for at least one year or more, including power, gas and water. Other on-site information can be obtained by the Display surveyor.

This system can be used by owners, managers/operators of home buildings, schools, kindergartens, administrative, retail, hotels, production, sport or any other type of buildings. It is a voluntary scheme, administered by Energy Cities – the institution supporting Covenant of Mayors' signatory municipalities and the private sector in reducing GHG in the building sector. Display is an online tool, composed of a standard poster, designed to show a building's major energy and water consumption information, GHG emission data, rankings from A to G, and recommendations for further action. The Display campaign encourages building owners to publicize their buildings energy performance data. This serves to the owner's image as environmentally responsible business or dwelling, as well as provides good example for staff and visitors.

SECTION THREE: OBJECTIVES OF THE PROGRAM

The overall objective of the Display program is to support Georgia's public and private sectors to reduce Greenhouse Gases. This program targets the private sector to expand Display's effectiveness. The private sector has the largest building stock in terms of total capacity-- managed by owners and residents of private buildings and enterprises. The programencourages the development of green business as well, for example in the field of sustainable construction, so that small and medium companies can adopt sustainable construction and facilities management practices.

The specific objective of the program is to consult with and increasethe capacitiesofGeorgian building owners for cost-effective and environmentally responsible management and operation of their buildings. It supports building labeling while publicizing energy and water use, which creates awareness among the general public as well the authorities.

The program targets five different regions in Georgia--mostly large cities--and in areas where tourism is concentrated.

SECTION FOUR: ACTIVITIES

The Program to Promote Display Labeling in the Private Sectorconsists of several components designed for three different target groups - home owners, small business owners and medium-sized businesses. A fourth component aims to raise public awareness and support the technical capacity of all stakeholders. As an option, the implementer can add a special dimension to components 1-3, showing energy labeling and efficiency improvements, and specifically targeting low income and disabled beneficiaries, or beneficiaries in high mountains and close to border areas.

The program is designed for a two-year period, with a possible extension of another two years. In each case, follow-up monitoring is required for at least five years after the program ends.

Component 1.Inhabited buildings
The beneficiaries of this component are owners of individual homes or apartments in urban and rural areas. These owners manage some of the smallest buildings but overall they contribute the largest portion of building stock.
The criteria for selecting beneficiaries include:

- size of the flat or apartment
- adequate comfort level (are all rooms heated and cooled)
- planned renovations in next 2-5 years
- financial sustainability of the owner and ability to carry out energy efficiency improvements
- number of occupants

The Program activities will take place in the following sequence:
Stage 1 – Feasibility study (about 2-3 months)
Stage 2 – Call for applications and evaluation (2 months)
Stage 3 – Labeling the sites (18 months)
Stage 4 – Monitoring and evaluating results – 5 years (with reporting at least once a year)

Regional scale of activities:

- Tbilisi and COM signatory municipalities, including rural areas
- Tusheti, Svaneti and Khevi, Khevsureti and Racha regions (tourism, mountains)
- Marneuli, Tsakla and Akhalkalaki regions

Component 2. Small business owners
The beneficiaries of this component are small business owners who spend substantial amountson operational facilities, including energy and water. These can be family hotels, small shops, restaurants, workshops, and other commercial premises.
The criteria for selecting beneficiaries include:

- size of business operations
- verified ownership of the premises
- good track record of the business for at least 3 years
- verified former year's expenditures for energy and water
- adequate comfort level (all spaces heated and cooled)
- planned renovations in next 1-3 years
- financial sustainability of the owner and ability to carry out energy efficiency improvements.
- number of occupants and visitors

The activities will take place in the following sequence:
Stage 1 – Feasibility study (about 2-3 months)
Stage 2 – Call for applications and evaluations (4 months)
Stage 3 – Labeling the sites (18 months)
Stage 4 – Monitoring and evaluating results – 5 years (reporting at least once a year)

Regional scale of activities:

- Tbilisi and COM signatory municipalities, not including rural areas

- Areas of concentrated tourism or small business facilities, such as Bakuriani, Gudauri, Black Sea coast, Mestia, Omalo

Component 3. Medium-sized businesses owners

The beneficiaries of this component are medium-sized business owners who spend substantial amounts on energy and water. Unlike component 2, this component includes only partial support to the owners, assuming that they can co-fund the energy efficiency projects. The beneficiaries can be hotels, medium and large shops, large restaurants, workshops, storage facilities and other commercial premises.

The criteria for selecting beneficiaries include:

- size of the operated business
- verified ownership of the premises
- good track record of the business for at least 5 years
- verified last year's expenditure for energy and water use
- adequate comfort level (are all spaces heated and cooled)
- planned renovations in next 1-5 years, owners intention to fund the renovations (fully or partially)
- financial sustainability of the owner and ability to carry out energy efficiency improvements
- number of occupants and visitors
- possible GHG reduction for each dollar invested
- percentage of the beneficiary's contribution.

The activities take place in the following sequence:

Stage 1 – Feasibility study (about 2-3 months)

Stage 2 – Call for applications and evaluation (4 months)

Stage 3 – Labeling of the sites and EE projects (18 - 24 months)

Stage 4 – Monitoring and evaluating results – 5 years (reporting at least once a year)

Regional scale of activities: This component concerns larger businesses, and in order to select the best options, it covers all regions of Georgia. However, travel costs may be higher than if one or two regions were selected.

Special options for components 1, 2 and 3

Part of the resources in components 1, 2 and 3 can be specially allocated to minority groups of beneficiaries who are deprived of or have limited access to project resources. This includes disabled persons, populations in high mountainous regions or entrepreneurs who are women, or who live in border regions.

Component 4. General support to the sector

This covers activities for awareness-raising and supporting the technical capacity of all stakeholders. It can include, but is not limited to:

- outdoor advertising
- leaflets and other promotional printed materials
- TV and radio shows
- beneficiary trainings
- energy efficiency events
- web and Facebook resources utilization

For all Components, a detailed scope of work and a schedule will be created, based on a feasibility study conducted at the beginning of the program.

SECTION FIVE: PLANNED OUTPUTS AND RESULTS

Outputs of the program are:

- Display-labeled buildings
- implemented energy efficiency projects
- printed materialsdisseminated
- TV and radio showsbroadcasted
- organized trainings

Expected results are:

- beneficiaries able to use Display instrument as building management tool
- buildings managed according to energy efficiency principles
- businesses supported through financial savings
- GHG emissions reduced
- beneficiaries qualifications gained from organized trainings

SECTION SIX: IMPACT AND SUSTAINABILITY OF THE PROGRAM

The direct impact from the program will be:

- creating good practice examples for other citizens and businesses
- publicity about low-energy consuminghomes and business models

In addition to the direct beneficiaries, impact from the project is expected to multiply and cover the general public. Visitors to these buildings can read the Display posters placed in prominent locations, which will raise their awareness of the potential offered by the Display tool and its direct benefits for energy efficiency.

The institutional sustainability of the results will be achieved by incorporatingenergy efficiency practices into people's everyday lives at home, and by re-thinking small business management to spend minimum resources on energy, making their business sustainable. As results are

graduallyachieved, the benefits created will continue after the project ends. Financial sustainability will be increased by savings through the energy-efficiency of the buildings.

SECTION SEVEN: IMPLEMENTING THE LABELING PROGRAM

Program implementation can coincide over the whole duration of the EC-LEDS program, particularly during years 3,4 and 5. Alternatively it can become a separate project, to be implemented after EC-LEDS ends. The number of sites to be labeled is unlimited, and only depends on the resources available. Potentiallocal partners can be selected from Winrock International's existing local implementing partners (GBC Georgia, Remissia, SDAP). Alternatively, there can be made nationwide call for proposals.

Ideally, the implementer/local partner will develop the detailed program proposal including private sector approaches, marketing strategy, detailed work plan, activities, results and means of their verification.

SECTION EIGHT: VERIFICATION OF RESULTS, FOLLOW UP ACTIONS

As a follow up action, EC-LEDS program willdevelop a specific framework how to monitor the activities and verify the results. The developed MRVs will show, how to make sure that rated performance indicators do not decline after the buildings are labeled. In other words the MRV will implement the planned strategy to ensure that once certified, the buildings are still energy efficient and managed in sustainable way.

The main indicators for program success can be:

- number of labeled buildings,
- number of beneficiaries supported (dwellers)
- number of businesses supported
- amount of GHG saved
- number of beneficiaries trained

Suggested reporting period for the MRV scheme is one year and up to five years. Suggested site visit frequency is:

- once a year for energy-efficiency funded or co-funded projects
- once every two years for buildings that are label-only

REFERENCES:

Webresource: www.display-campaign.org